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COUNSELOR CONNECTION

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KHEAA sets 2007 amounts for CAP, KTG awards

KHEAA has set the state grant maximum award amounts for the 2006–2007 academic year.

The College Access Program (CAP) Grant can be used at an eligible Kentucky public or private college or university, proprietary school, or publicly operated vocational-technical school. The maximum award for full-time students will be \$1,900. The hourly rate for part-time students will be \$79 for semester-based schools and \$53 for quarter-hour schools. The expected family contribution (EFC) for CAP grant will remain at \$3,850.

Kentucky Tuition Grant (KTG) awards may be used at an eligible Kentucky private college. The maximum award amount will remain at \$2,800.

Please share this info

KHEAA and The Student Loan People offer a variety of college planning and student financial aid programs and services for Kentucky students. We want everyone to be aware of how we can help families plan and pay for higher education and are asking you to share information and articles from this newsletter with those in your school or office responsible for newsletters to parents, school newspapers, and other communications. We appreciate your help in spreading the word.

Report details Outreach activities for FY2005

Included with this issue of the *Counselor Connection* is the Outreach Report for FY2005. This report includes information about the outreach counselors and a detailed breakdown of contacts made by our outreach staff.

The outreach area includes nine regional counselors who cover Kentucky. KHEAA and The Student Loan People also have the College Info Road Show, which visits schools and other sites.

If you would like to schedule a visit from the outreach staff, please call Summer Gortney at 502.696.7377.



Time to clean house

As the end of the school year draws near, now may be a great time to discard any old publications from KHEAA and The Student Loan People. We will be reprinting new materials over the summer with the most current and up-to-date information and will send a supply to you after the beginning of the 2006–2007 academic year. If you are not sure which publications may be outdated, please call us at 502.696.7381 or e-mail us at publications@kheaa.com.

KEES Account Updates

- Changes can only be made to a student's KEES account for up to three months after the student begins enrollment at a participating postsecondary institution after graduation from high school.
- Get your students involved with checking their account information prior to graduation.

✓ Verify the correct Social Security number

✓ Verify date of birth

✓ Verify yearly GPAs

Send your students to www.kheaa.com



Big changes coming for federal student aid programs

College students will find a greatly changed federal financial aid landscape beginning this July.

Under the recently passed federal budget deficit act, needy college students will see more help from new federal grant programs, which could reduce their reliance on borrowing money to pay for college:

- Academic Competitiveness Grants will be available to first- and second-year undergraduate students. Grants for first-year students are \$750, those for second-year students are \$1,300. Students who are U.S. citizens and eligible for Pell Grants will also be eligible for these grants. Second-year students must have earned at least a 3.0 GPA during their first year in college.
- National Science and Mathematics Access to Retain Talent (SMART) Grants will be available to third- and fourth-year undergraduates. The grants, worth \$4,000 a year, are for students in certain areas of science, mathematics and foreign language. They must have at least a 3.0 GPA in their major to qualify.

Graduate and professional students will be able to borrow through the Federal PLUS Loan program, previously reserved for undergraduate students. Unlike undergrads, whose parents must borrow the PLUS Loan, graduate and professional students will be able to take out the PLUS Loans in their own names.

Students who take out Federal Stafford Loans will face fixed interest rates beginning in July, with those rates higher than the variable rates charged in recent years. The fixed rate will be 6.8 percent; the current rate is 4.7 percent.

Under the new law, guaranty agencies, which insure Federal Stafford Loans, will be required to collect the 1 percent guaranty fee. KHEAA last charged a guaranty fee in 1996. Waiving the guaranty fee has saved students nearly \$41 million through the 2004–2005 school year. The Student Loan People will pay the guarantee fee for students who get a loan from them.

Starting in **2007**, undergraduate students will be able to borrow more in Federal Stafford Loans their first two years. First-year students will be able to borrow up to \$3,500, an increase from \$2,625. The maximum second-year students can borrow increases to \$4,500 from \$3,500. However, the maximum a student can borrow as an undergraduate will remain at \$23,000.

Other changes:

- Establish a three-year military deferment on repaying student loans. The deferment applies to loans made since July 1, 2001.
- Provide for a discharge of loans taken out as a result of identity theft. If a student loan is discharged, it doesn't have to be repaid.

KHEAA and The Student Loan People publish the *Counselor Connection* to share information about student financial aid, college preparation and college planning. Comments and suggestions are always welcome. Please send them to publications@kheaa.com.



LEAN ON US, FROM CLASS TO CAREER.



Kentucky's trusted source for grants, scholarships and loans.